



PUBLIC NOTICE

FEDERAL COMMUNICATIONS COMMISSION

445 12th STREET, S.W.

WASHINGTON, D.C. 20554

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August 2, 1999

FY 1999 Common Carrier Regulatory Fees

The Federal Communications Commission issues this Public Notice in order to provide information concerning the payment of regulatory fees in FY 1999. If you hold authorizations in any of the common carrier services, excluding international facilities (space stations, earth stations, bearer circuits, and international public fixed) and commercial wireless facilities (cellular and public mobile), you should carefully review this Public Notice. Separate Public Notices for international licensees and commercial wireless licensees are available.

WHO MUST PAY REGULATORY FEES IN FY 1999

Most licensees and other entities regulated by the Commission must pay regulatory fees in FY 1999. This Public Notice concerns only the following Common Carrier regulatees:

CAP/CLEC: (Competitive Access Provider/Competitive Local Exchange Carrier). Competes with incumbent local exchange services or telecommunications services that link customers with interexchange facilities, local exchange networks, or other customers. This includes fixed wireless service providers that are certified as local exchange service providers.

Incumbent LECs: (Incumbent Local Exchange Carriers). Provides local exchange service. An incumbent local exchange carrier (ILEC) generally is a carrier that was at one time franchised as a monopoly service provider. See 47 U.S.C. 251(h).

IXC: (Interexchange Carriers). Provides long distance telecommunications services, primarily through switches or circuits that it owns or leases.

Local Reseller: Provides local exchange or fixed telecommunications services by reselling services of other carriers.

OSP: (Operator Service Provider). Serves customers needing the assistance of an operator to complete calls, or needing alternate billing arrangements such as collect calling.

Payphone Service Provider: Provides customers access to telephone networks through payphone equipment, special teleconference rooms, etc. Payphone service providers are also referred to as payphone aggregators.

Pre-Paid Card: Provides pre-paid calling card services by selling pre-paid calling cards to the public or to retailers. Pre-paid card providers typically resell the toll service of other carriers and determine the price of the service by setting the price of the card and controlling the number of minutes for which the card can be used.

Toll Reseller: Provides long distance telecommunications services primarily by reselling the long distance telecommunications services of other carriers.

Other Local and Other Toll Service Providers: Other providers of local exchange or toll services, including private service providers (which offer telecommunications services to others and includes companies that offer excess capacity on a private system that is used primarily for internal purposes) and shared tenant service providers (which manage or own multi-tenant locations that provide telecommunications services or facilities to tenants for a fee).

This requirement does not apply to wireless carriers and mobile resellers governed by the commercial wireless radio services. Governments and nonprofit entities (exempt under Section 501 of the Internal Revenue Code) are not required to pay regulatory fees and should not submit payment. *The Commission requires that each exempt entity submit, or have on file with the Commission, a certification of governmental authority, or certification from a government authority attesting to its exempt status.* In addition, a regulatee is responsible for summing all of its services in order to determine if a fee is due. If the sum of all services owned are less than \$10, then the regulatee is exempt from paying the fee.

WHY THE COMMISSION MUST COLLECT REGULATORY FEES

The requirement to collect annual regulatory fees from common carriers is contained in Public Law 103-66, "The Omnibus Budget Reconciliation Act of 1993." These regulatory fees, which are likely to change each fiscal year, are used to offset costs associated with the Commission's enforcement, public service, international and policy and rulemaking activities. These fees are in addition to any application processing fees associated with obtaining a license or other authorization from the Commission.

WHEN FEES WILL BE DUE

Fee payments must be received by the Commission during the period beginning September 13, 1999, and ending September 22, 1999. Any payments not received at Mellon Bank by 11:59 p.m., September 22, 1999 will be assessed a 25% late payment fee.

TYPE OF FEE	REGULATORY FEE PAYMENT	FEE CODE
Interstate Telephone Service Providers (Interexchange Carriers, Local Exchange Carriers, Competitive Access Providers, Operator Service Providers, Resellers, and Other Interstate Providers)	\$0.00121 per revenue dollar	COD9

FCC FORM 159

Regulatory fee payments must be accompanied by FCC Form 159 ("FCC Remittance Advice"), dated July 1997. A copy of this form, with specific instructions, is attached to this Public Notice and may be used to submit fees. Reproduced forms are acceptable. Please see "Special Instructions for Completing FCC Forms 159 and 159-C" for more detailed information on how to correctly complete these forms. Unless you are submitting your information on diskette, you must list each entity separately on Forms 159/159-C. Written attachments are not acceptable. Failure to properly complete FCC Forms 159/159-C will delay the processing of your regulatory fee payment.

Any regulatee paying for more than 25 entities may do so by submitting the Form 159 information on diskette. Information on how to file electronically on diskette will be made available on a subsequent public notice.

WHERE TO SEND REGULATORY FEE PAYMENTS

If sending your regulatory fee payment by mail, please address your envelope as follows:

**Federal Communications Commission
Regulatory Fees
P.O. Box 358835
Pittsburgh, PA 15251-5835**

If you prefer to send your regulatory fee payment by courier to our lockbox bank, you may do so 24 hours per business day (except Federal or bank holidays). Please address your envelope and deliver it to the following address:

**Federal Communications Commission
c/o Mellon Bank
Three Mellon Bank Center
525 William Penn Way
27th Floor, Room 153-2713
Pittsburgh, PA 15259-0001
(Attention: FCC Module Supervisor)**

METHOD OF PAYMENT

Regulatory fee payments may be made by check, money order, or by credit card (Visa or Mastercard only). When paying by credit card, please make sure you complete and sign block 28 of FCC Form 159. Payments may also be made by wire transfer or ACH Debit. Instructions are provided below.

NOTE: We encourage arrangements to consolidate regulatory fee payments either by a single entity or by different entities into a single payment instrument. Consolidated fee payments may cover any number of service categories. Payers who will be making a single payment for a significant number of entities and wish to submit their payment information on diskette in lieu of submitting a large number of FCC Forms 159-C ("Advice Continuation Sheets") may do so. Specific instructions regarding diskette submission will be issued separately. No more than twenty-five (25) Form 159-C's should be manually submitted for payment. If more than twenty-five (25) Form 159-C's are to be submitted, we encourage the public to file the information on diskette. Only properly filled out Form 159's or diskettes will be accepted. Attached listings of service provider numbers or other identifiers will not be accepted.

In its FY 1996 Report and Order, the Commission amended its rule regarding the TRS Fund administrator to permit National Exchange Carrier Association (NECA) to process regulatory fees on behalf of its pooling exchange carriers and to submit their consolidated fees to our lockbox bank in a single payment instrument. However, we remind entities subject to regulatory fee payment that the regulatee, not an agent such as NECA, is responsible for ensuring that payment is made, and that there is a penalty for not submitting the entire fee in a timely manner.

WIRE TRANSFER PAYMENT INSTRUCTIONS

A wire transfer is a transaction that you initiate via your bank. It authorizes your bank to wire funds from your account to our lockbox bank, the Mellon Bank in Pittsburgh, PA. All payments made by wire transfer must be supported by a completed FCC Remittance Advice (FCC Form 159) and Advice Continuation Sheet (FCC Form 159-C), if required. The FCC Form 159 must be faxed to Mellon Bank at (412) 236-5702 at least one hour before the wire transfer on the same business day. Indicate on the top of the FCC Form 159 "Wire Transfer - Regulatory Fee Payment." In Box (1) - Lockbox#, located at the upper left hand corner, indicate "358835." **Failure to submit the completed FCC Form 159 will result in a delay in crediting your account. Due to Federal Reserve regulations, wire transfers received after 6:00 p.m. (EDT) will be credited the next business day.**

The following information should be provided to your bank to complete the wire transfer:

ABA Routing Number 043000261

Receiving Bank: Mellon Pittsburgh

BNF: FCC/ACV--9116106

OBI Field: (Skip one space between each information item)

"REGULATORYPAY"

PAYER TIN (Exactly as on FCC Form 159, Block #25)

PAYER NAME (Exactly as on FCC Form 159, Block #2)

Phone: (Daytime Phone #, exactly as on FCC Form 159, Block #9)

LOCKBOX 358835

ACH DEBIT PAYMENT INSTRUCTIONS

If you are interested in using Mellon's Customer Initiated Payment Program (CIP), a brief application form must be completed and a personal identification number (PIN) issued by the bank. Arrangements for using this process must be completed 14 days prior to submitting payment of the regulatory fee. After you have been set up for this program, you have until September 21, 1999 to submit payment to ensure processing by the deadline date of September 22, 1999. Please contact the Credit and Debt Management Center at (202) 418-1995 to request the Customer Initiated Payment Program Package.

COMPLIANCE

Please make sure your total remittance and the amount indicated on the FCC Form 159 are in agreement. Failure to do so will delay processing. Licensees are solely responsible for accurately accounting for all licenses and for paying proper regulatory fees. Any data omission, erroneous or incomplete data submission, or payment deficiency may result in a **25% monetary penalty**, dismissal of pending actions, and/or revocation of any authorization. You are strongly urged to submit your payment on time and accurately in order to avoid a penalty. Additionally, the Commission will invoke any lawful authority it may possess under the Debt Collection Act to collect any fees due or outstanding against any common carrier failing to meet its regulatory fee payment obligations.

WAIVERS, REDUCTIONS AND DEFERMENTS OF REGULATORY FEES

The Commission will consider requests for waivers, reductions or deferments of regulatory fees, in extraordinary and compelling circumstances only, upon a showing that such action overrides the public interest in reimbursing the Commission for its regulatory costs. Your regulatory fee must be paid by the due date even if a request is made for a waiver or reduction. This will ensure efficient collection in situations where a waiver or reduction is not warranted and will allow the requestor to avoid a **25% late-payment penalty** if its request is denied. The regulatory fee will be refunded later if the request is granted. Only in exceptional or compelling instances (where payment of the regulatory fee along with the waiver or reduction request could result in the reduction of service to a community or other financial hardship to the licensee), will the Commission accept a petition to defer payment along with a waiver or reduction request. All requests for deferments must be received before September 22, 1999, in order to avoid the **25% late-payment penalty**. Please submit your written waiver or reduction request to the following address:

Office of the Managing Director
Federal Communications Commission
445 12th Street, S.W., Room 1-A625
Washington, D.C. 20554
attn: Regulatory Fee Waiver/Reduction Request

However, submit your regulatory fee payment to the address on page 3 of this Public Notice.

ADDITIONAL INFORMATION

Applicable Public Notices, and FCC Forms 159 and 159-C are available from the Commission's Office of Public Affairs, Public Service Division and can be downloaded from the Internet (<http://www.fcc.gov> or <ftp@fcc.gov>). Text of the Report and Order including the entire Schedule of Regulatory Fees can also be downloaded from the Internet. Forms may also be obtained by contacting the Forms Hotline at (800) 418-3676 outside the Washington, D.C. area, or (202) 418-3676 locally. For additional information, please contact the Public Service Division at (202) 418-0192, or write to: Federal Communications Commission, Office of Public Affairs, ATTN: Public Service Division, 445 12th Street, S.W., Washington, D.C., 20554.

PAYMENT PROCEDURES FOR COMMON CARRIERS

WHO MUST PAY: Interstate service providers, including CAP/CLECs, incumbent local exchange carriers (local telephone operating companies)¹, Interexchange carriers (long distance telephone companies), local resellers, OSPs (operator service providers that enable customers to make away from home calls and to place calls with alternative billing arrangements), payphone service providers, pre-paid card, private service providers, shared tenant service providers, toll resellers, and other local and other toll service providers. These categories and some limited exemptions are defined above. Governments and nonprofit entities (exempt under Section 501 of the Internal Revenue Code) are not required to pay regulatory fees and should not submit payment. *The Commission requires that each exempt entity submit, or have on file with the Commission, a current IRS Determination Letter documenting its nonprofit status, a certification of governmental authority, or certification from a governmental authority attesting to its exempt status.*

SPECIAL INSTRUCTIONS FOR COMPLETING FCC FORMS 159 AND 159-C

FCC Form 159 ("FCC Remittance Advice") and, as necessary, FCC Form 159-C ("Advice Continuation Sheet") must accompany all regulatory fee payments. FCC Form 159 allows payers to report information on one or more payment items (e.g., revenues, call signs, or a combination of any two). Use FCC Form 159-C to report additional payments.

FCC Forms 159/159-C have been attached to this Public Notice for you to complete and remit with your payment. You may make additional copies of the forms as required. In addition to the FCC Form 159 instructions, the following information applies specifically to common carrier regulatees:

Block (10) - "Telephone Number":

- ▶ Enter the telephone number of the individual responsible for submitting the payment and supporting FCC Form 159 and Form 159-C.

Block (19) - "FCC CALL SIGN/OTHER ID":

- ▶ Interstate telephone service providers should enter their TRS Fund identification number.

¹ We will permit the holding company of local exchange carriers to aggregate fee payments due by its operating companies and submit a single payment to cover the fee requirements of its subsidiaries.

Block (20) - "PAYMENT TYPE CODES":

COD9: Enter COD9 when paying for an interstate telephone service provider regulatory fee (\$0.00121 per revenue dollar).

Block (21) - "QUANTITY":

- ▶ First complete Blocks 23 ("FCC CODE 1") and 24 ("FCC CODE 2") on the FCC Form 159 (see instructions below).
- ▶ Interstate telephone service providers subtract the amount in Block 24 ("FCC CODE 2") from the amount in Block 23 ("FCC CODE 1") and enter the TRS net interstate revenue. This should be the same as Line 5(b) of the Interstate Telephone Service Provider Worksheet provided below.

Block (22) - "FEE DUE":

- ▶ For interstate telephone service provider regulatory fees (payment type code COD9), multiply the amount in Block 21 ("Quantity") by \$0.00121. This amount should be the same as Line 7(b) of the Interstate Telephone Service Provider Worksheet provided below.

Block (23) - "FCC CODE 1":

- ▶ For interstate telephone service provider regulatory fees (payment type code COD9), enter the total interstate revenue as reported to the TRS Fund (line 15 of FCC Form 431, TRS Fund Worksheet). This amount should be the same as Line 1(b) of the Interstate Telephone Service Provider Worksheet provided below.

Block (24) - "FCC CODE 2":

- ▶ For interstate telephone service provider regulatory fees (payment type code COD9), enter the cost of interstate telecommunications services taken for resale (including the cost of access services). This amount should be the same as the amount in Line 4(b) of the Interstate Telephone Service Provider Worksheet provided below, and consists of the amounts paid for interstate access services plus the amount paid for other interstate telecommunications services taken for resale.

Block (25) - "PAYER TIN":

- ▶ Enter the fee payer's nine digit Taxpayer Identification Number.

Block (26) - "APPLICANT TIN":

- ▶ If different from payer, enter the applicant's nine digit Taxpayer Identification Number.

Block (27) - "CERTIFICATION":

- ▶ Provide the printed name and signature of an individual owner/licensee or officer attesting to the accuracy and completeness of the information supplied.

Please remember to include a daytime telephone number so that the Federal Communications Commission can contact you if questions arise regarding your payment.

SUPPLEMENTARY INFORMATION**A. What is TRS?**

Telecommunications Relay Service (TRS) is a telephone transmission service that provides the ability for an individual who has a hearing or speech disability to engage in communication by wire or radio. Currently, TRS centers use special staff and equipment to relay messages between persons using text telecommunication devices and persons using voice telecommunication devices. Under Title IV of the Americans with Disabilities Act of 1990 (ADA),² all common carriers providing voice communications services are required to provide TRS throughout the areas they serve. The rates charged for TRS calls must be no higher than those charged for functionally equivalent voice telephone calls of similar duration and distance.

B. What is the TRS Fund?

The TRS Fund is a shared funding mechanism for recovering the costs involved in providing interstate TRS service. All telecommunications carriers providing interstate telecommunications service (voice or non-voice) are required to contribute a portion of their gross interstate revenues to the TRS Fund. TRS providers receive payments from the Fund designed to compensate them for the reasonable costs incurred in providing interstate TRS. The TRS Fund is currently administered by the National Exchange Carrier Association (NECA).

C. Which carriers must file TRS Fund Worksheets?

All telecommunications carriers providing interstate telecommunications services within the United States must file the TRS Fund Worksheet (see also paragraph E. of this Attachment). For this purpose, the United States is defined as the conterminous United States, Alaska, Hawaii, American Samoa, Baker Island, Guam, Howland Island, Jarvis Island, Johnston Atoll, Kingman Reef, Midway Island, Navassa Island, the Northern Mariana Islands, Palmyra, Puerto Rico, the U.S. Virgin Islands, and Wake Island.

For the purpose of calculating TRS contributions, interstate telecommunications service includes, but is not limited to, the interstate portion of the following types of services: cellular telephone and paging, mobile radio, operator services, personal communications service (PCS), access (including Subscriber Line Charges), alternative access and special access, packet-switched, WATS, 800, 900, message telephone service (MTS), private line, telex, telegraph, video, satellite, international, intraLATA, and resale services. Note: All local exchange carriers provide interstate access services, and therefore must file.

Each legal entity that provides interstate telecommunications service must file a separate TRS Fund Worksheet. Entities may not file worksheets aggregating revenue for more than one carrier. Entities that have distinct articles of incorporation are separate legal entities. All affiliates or subsidiaries must identify the ultimate controlling parent or entity on their TRS Fund Worksheets.

² Public Law No. 101-336, § 401, 104 Stat. 327, 366-69 (codified at 47 U.S.C. § 225).

D. Should all carriers which file TRS Fund Worksheets also pay the common carrier regulatory fee?

No. Satellite service providers, mobile service and paging carriers pay different regulatory fees and should not pay the common carrier fee. All other carriers that file TRS Fund Worksheets must pay the common carrier based fee.

E. Should a carrier file the regulatory fee if it has not filed a TRS Fund Worksheet?

Yes. If a telecommunications carrier provided interstate telecommunications services in 1998, then it should have filed a TRS Fund Worksheet and must also pay the common carrier based regulatory fee. Carriers should have filed their 1999 TRS Fund Worksheet each year on or before April 26, 1999. These worksheets used calendar year 1998 revenue data to calculate the TRS contribution for May 1, 1999 through April 30, 2000. Any carrier that did not file should contact (973) 560-4400 in order to obtain a filing package and to be assigned a 6 digit TRS Fund ID number. If a carrier has forgotten its TRS code, the codes are available on line at the FCC website. The code is listed in the FCC Carrier Locator Report, January 1999, on the FCC website at <http://www.fcc.gov/ccb/stats>. Click on Telecommunications Relay Service Fund Filing Materials & Reports to reach the Carrier Locator Report. The code is also listed on a report of companies that filed their Universal Service Fund Worksheets due on March 31, 1999 at http://www.fcc.gov/ccb/universal_service/quarter.html. This number must be included on the regulatory fee filing. The mailing address of the TRS Fund Administrator is "NECA, FCC TRS Fund Administration, 100 South Jefferson Rd., Whippany, NJ 07981".

F. What type of revenues are reported on TRS Fund Worksheets?

The TRS Fund Worksheet requires carriers to report their revenue under ten categories. Four of the revenue categories are for local services: (1) local exchange service; (2) local private line service; (3) mobile radio, cellular, paging and PCS; and (4) other -- including other local exchange revenues. Six of the categories are for long distance services: (1) intrastate access service; (2) interstate access service; (3) operator service and pay telephone; (4) non-operator switched toll service; (5) long distance private line service; and (6) all other long distance services. Carriers report total revenues and interstate revenues for each category. Carriers must include revenues from all of the different types of services listed in section C above.

Gross or total revenues include revenues from regulated, detariffed, and nonregulated telecommunications services. Gross revenues should not include non-telecommunications services, such as the lease of customer premises equipment. Gross revenues consist of total revenues billed to customers with no allowances for uncollectibles. Billed revenues may be distinct from booked revenues. For international services, gross revenues consist of gross revenues billed by U.S. carriers with no allowances for settlement payments. Gross revenues should also include any surcharges on communications services that are billed to the customer and either retained by the carrier or remitted to a non-government third party under contract. Gross revenues should exclude taxes and any surcharges that are not recorded as revenue, but which instead are remitted to government bodies.

G. What kind of costs can be deducted from revenues reported on TRS Fund Worksheets in order to calculate the common carrier regulatory fee?

Carriers are allowed to deduct interstate access expenses that they paid to local exchange carriers in 1998, and they are allowed to deduct the interstate portion of the costs of communications services taken for resale in 1998. Carriers can use the following Interstate Telephone Service Provider Worksheet to calculate their 1999 regulatory fee.

INTERSTATE TELEPHONE SERVICE PROVIDER WORKSHEET

	1998 Data (show all amounts in whole dollars)	(a) Total Company	(b) Interstate Portion
1	Common carrier revenues from Line 15 of FCC Form 431, TRS Fund Worksheet		
2	Access expense paid to local exchange carriers		
3	Cost of telecommunications services taken for resale (not including access costs shown on Line 2)		
4	Sum of Lines 2(b) and 3(b)		
5	Net Interstate Revenues (Line 1(b) minus Line 4 (b))		
6	Common carrier fee factor		.00121
7	1999 Regulatory Fee (Line 5(b) times Line 6 (b))		

In the FCC Forms 159 and 159-C, enter the amount in Line 1(b) in Block 23--"FCC CODE 1." Enter the amount in line 4(b) in Block 24--"FCC CODE 2." Enter the amount in Line 5(b) in Block 21--"QUANTITY." Enter the amount in Line 7(b) in Block 22--"FEE DUE."